

Service Date: June 7, 2006

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the Application	)	UTILITY DIVISION
of MDU RESOURCES GROUP, INC. for	)	
Authorization for the Issuance of	)	DOCKET NO. D2006.5.72
Securities	)	DEFAULT ORDER NO. 6739

**DEFAULT ORDER**

On May 18, 2006, MDU Resources Group, Inc. ("Applicant" or "Company"), filed an application seeking authority to issue additional shares of Common Stock, par value \$1.00 per share, in connection with a three-for-two Common Stock split effected in the form of a fifty percent (50%) stock dividend. Applicant anticipates that the necessary regulatory approval will be obtained, so that the split will become effective on July 26, 2006 (the "Effective Date"). The additional shares resulting from the stock split would be issued on the Effective Date to all holders of Common Stock of record at the close of business on July 12, 2006 (the "Record Date"). The application is filed pursuant to Title 69, Chapter 3, Part 5, MCA.

The application was supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to its annual report on file with the Commission.

At a regular open session of the Montana Public Service Commission, held at its offices on June 6, 2006, there came before the Commission for final action the matters in this Docket, and

the Commission, having fully considered the application and data and records pertaining thereto on file with the Commission and being fully advised in the premises, makes the following:

### **FINDINGS OF FACT**

1. Applicant is a corporation organized and existing under and by virtue of the laws of the State of Delaware and is qualified to transact business in the State of Montana.
2. Applicant is operating as a public utility as defined in §§ 69-3-101 and 69-3-102, MCA, and as such is engaged in furnishing electric and gas service in Montana.
3. The Commission has jurisdiction over the subject matter of said application under Title 69, Chapter 3, Part 5, MCA.
4. Applicant proposes a three-for-two stock split on shares of issued Common Stock, to be effected on July 26, 2006, in the form of a fifty percent (50%) stock dividend, through the issuance of one additional share of Common Stock for every two shares of Common Stock held by the holders of record on the close of business on July 12, 2006.
5. Applicant will receive no proceeds from the issuance of additional shares pursuant to the three-for-two Common Stock split in the form of a fifty percent (50%) stock dividend.
6. The transactions proposed by Applicant (a) are consistent with the public interest; (b) are for a purpose or purposes permitted under the laws of the State of Montana; (c) are necessary or appropriate for and consistent with the proper performance by Applicant of service as a public utility; and (d) will not result in a situation in which the aggregate amount of the securities outstanding and proposed herein to be outstanding will exceed the fair value of the properties and business of Applicant.

### **CONCLUSIONS OF LAW**

The securities transactions proposed by Applicant, as herein authorized, will be for a lawful purpose and are consistent with the public interest; the same are appropriate and consistent

with the necessary performance of Applicant of service as a public utility; and the aggregate amount of securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of the Applicant.

### **ORDER**

IT IS HEREBY ORDERED by the Commission:

1. The application of MDU Resources Group, Inc. for authority to issue additional shares of Common Stock, par value \$1.00 per share, in connection with a three-for-two Common Stock split effected in the form of a fifty percent (50%) stock dividend as proposed in the application, is hereby approved and authority is granted.

2. Neither the issuance of securities by Applicant pursuant to the provision of this Order nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any securities authorized, issued, assumed or guaranteed under the provisions of MCA §§ 69-3-501 through 69-3-507.

3. The approval of this application shall not be construed as precedent to prejudice any future action of this Commission.

4. Issuance of the Order does not constitute acceptance of MDU Resources Group Inc.'s exhibits or other material accompanying the application for any purpose other than the issuance of this Order. This approval to issue securities is without prejudice to the regulatory authority or actions taken by this Commission with respect to ratemaking, rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided by law.

DONE IN OPEN SESSION at Helena, Montana this 6th day of June, 2006, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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GREG JERGESON, Chairman

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BRAD MOLNAR, Vice Chairman

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DOUG MOOD, Commissioner

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ROBERT H. RANEY, Commissioner

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THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Connie Jones  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.